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MISCELLANY.

THE GERMAN ECONOMIC ASSOCIATION.

THIS Association (*Verein für Socialpolitik*) held its regular biennial meeting at Frankfort-on-the-Main, September 26 and 27, 1890. All agreed with the statement in the opening address of the President, Professor Schmoller,[1] that the Association is now entering upon the third distinct period of its existence. For with the coming to the throne of a new monarch, who is avowedly introducing a new social and economic system, with the withdrawal of Bismarck from the service of the State, and with the lapse of the special Act against the Social Democracy, the practical social and economic problems in Germany have undergone a complete change. The Association was founded at Eisenach, in 1872, on the occasion of Professor Adolph Wagner's open letter to Dr. Oppenheim, as a direct protest against Manchesterism, so prevalent in Germany at that time. This deductive free-trade economic tendency manifested itself especially among the Government officials, and had organized itself under the name of the *Volkswirthschaftlicher Congress*. The younger economists of the historical school, who organized the new association, were the same who, because of their advocacy of greater activity on the part of the State, came to be known as "Socialists of the Chair." The Association was founded on the very reasonable idea that the scholar and student of economic affairs should furnish material for,

[1] The Secretary of the Association is Carl Geibel, publisher, Leipzig, the Treasurer, Stadtrath L. Ludwig-Wolff, Leipzig.

and exercise an influence upon, the legislator and the administrative officer so far as the latter has discretionary power. The fundamental idea, which has ever been adhered to, was that the Association should take up such practical, political, social, and economic problems as were found in the near future to become subjects of legislation, thoroughly investigate them through committees, and issue the reports of these investigations in the form of regular publications[1] of the Association, and then, *after the distribution* of these reports, to make them the subjects of discussion in the meetings of the Association. The number of volumes issued by the Association is about forty, many of them books of permanent and general value. The publications cover the whole range of practical economics. I say *practical* economics, for the Association has always avoided purely theoretical discussions, and has aimed alone at making its (scientific, not political) influence felt in the economic and social life of the nation. The Association has ever wisely kept from prescribing any social or economic creed as a condition of membership, or from passing or attempting to pass any resolution in favor of or against any specific legislative act or policy, its sole aim being investigation and discussion, in which all parties have always been allowed the utmost freedom. Yet the prevailing opinion in the first period of the history of the Association (say from 1872 to 1880) was that the State should assume a more active policy, but not the political attitude, toward the laborer that Bismarck forced upon the nation. In other words, the Association believed that to adapt the laws to the changed condition of affairs following the nationalization of Germany after the two wars, and the consequent introduction of the modern inventions and methods of production and distribution, and to make the most of these new and improved conditions a decidedly active policy on the part of the State was necessary. But

[1] The publishers for the Association are Duncker & Humboldt, Leipzig.

what the Association wanted for the laborer was such legislation and such action as would clear away the wrecks and *débris* of the old legal and social systems, and would, thereby, encourage and enable the laborer to help himself. But what has actually been done, against the conclusions of the members and founders of this Association, has been to crush out all hope of initiative or self-help on the part of the laborer, and to establish the principle, apparently for generations to come, that the State must take care of him. Not opportunity for self-help, as the Association wished, but wholesale State-help, as the then all-powerful shaper of the State policy willed is what has been given. When this great system, beginning with the protective tariff of 1879, and ending with the great mass of compulsory laborers' insurance, which culminated with the Act of 1889, was begun, many members ceased to take any active part in the Association, while others, remaining active, energetically opposed the whole system. Thus it came about that the Association founded in advocacy of a more active policy on the part of the State, was very nearly wrecked by the action of its own offspring. Yet, as was said at Frankfort during this second period, 1879–1889, the members one by one came to the conclusion that successful opposition to the policy of the State at that time was impossible. They therefore renewed their activity and concluded to give this system, which did not meet their approval, a fair trial.

The Frankfort programme dealt with two of the most important questions in current German politics, namely, the reform of the local administration (*Gemeinde Ordnung*) in Prussia, and (2) strikes and labor disturbances.[1] A whole day was set apart for the discussion of each topic. The first subject has already been reported on in the shape of two volumes of the publications for the current year;

[1] It is interesting to note that this is the chief topic of the first meeting at Eisenach, in 1872, and that at that time Professor Schmoller was the chief speaker.

namely, *Berichte über die Zustände und die Reform des ländlichen Gemeindewesens in Preussen*, by H. Thiel, and *Die Landgemeinde in den oestlichen Provinzen Preussens*, etc., by Dr. Keil. The fact that each subject has been so reported upon leads to the universal custom of off-hand speaking in the meetings. It is needless to say that the absence of manuscript in the meetings leads to a liveliness and interest in the debate unknown in similar meetings in America.

The first speaker on the programme for this topic was Herr Sombart, member of the Prussian Diet, and also owner of one of these Gemeinde whose reform was under discussion. The second was Oberpräsident (retired) von Ernsthausen. With but fifteen minutes for refreshments, the debate lasted from 9 to 3 o'clock.[1] As in all German deliberative bodies and formal debates, the chief speakers are allowed to speak after the formal closing of the debate. It is the practice of the Association to allow speakers representing opposite sides of the question to speak alternately, so far as this is possible. The first topic evoked an interesting and lively debate. But the chief interest of the meeting centred in the discussion of the following day on the labor question. The published reports on this subject were: (1) *Arbeiter Einstellungen und Fortbildung des Arbeitsvertrags. Berichte von G. Auerbach, W. Lotz und F. Zahn, im Auftrage des Vereins für Socialpolitik, herausgegeben und eingeleitet von L. Brentano;* (2) *Studien zur rheinischen Westfälischen Bergarbeiterbewegung, von Dr. Carl Oldenberg* (also published in Schmoller's Yearbook); (3) *Arbeiterausschüsse in der deutschen Industrie, etc., Max Sering.* The subject was introduced to the meeting at length by Professor Brentano. His life-long study of this subject, begun by a long residence in England, has made him a great admirer of the English Trades-unions.

[1] The members of the Association dined together, to the number of seventy-five, at 5 o'clock, in the Frankfürter Hof.

He thinks the labor problem in Germany must be solved in some similar way, by the laborers themselves, and not through penal or repressive legislation against the laborer. He went so far as to advocate legislation which would allow greater freedom of organization of the laborers, and then of making the organization in its corporate capacity responsible to the employer for the fulfilment of the laborer's contract. The next speaker on the programme was Herr Bueck, of Berlin, General Manager of the Central Association of German Manufacturers and Merchants. He made a very clear statement of the practical, conservative business man's view, the substance of which was: Manufacturers and trade are necessary to the welfare of State. Under present conditions, the laborers annoy employers, and at the same time interrupt trade and industry to the injury of the State. Therefore, the State ought to take away this power of interruption from the laborers. The last speaker on the programme was the Ultramontane editor and member of the Reichstag—Stoetzel, of Essen. He presented the well-known Catholic view of the labor problem. But his address was chiefly valuable for the completeness and accuracy of the information it gave as to the actual material condition of the laborer, as well as of the whole attitude of the laborer to the labor problem.

After a morning session of six hours, Professor Brentano closed the discussion, occupying a full hour—the fifth of the evening session, which was unbroken by any recess. The fact that all listened to the closing speech with marked attention till ten o'clock at night—and that, too, without any supper—speaks well for both the interest of the discussion and the patience of the German character.

An interesting episode of the meeting was a description and defence of the English Trades-unions by Professor Munro, of Manchester. Among others well known outside of Germany who were present at the Frankfort meeting may be mentioned: Professors Cohn, von Gneist,

Neumann, and ex-Minister von Roggenbach. Professor Conrad was unavoidably prevented at the last moment from attending. The membership at present includes most of the teachers of economics in Germany, and many others, especially many of the higher officials. The fact of the membership of the latter indicates a friendly relation between the Government and the Association.

Anyone may become a member by paying the annual fee of ten marks. Members receive the publications of the Association free.

JOHN H. GRAY.

Frankfort, October 1, 1890.

ECONOMICS IN GERMAN TECHNICAL SCHOOLS.

The higher technical schools of Germany, standing on the same plane of instruction with the universities, make some provision for the study of economic subjects. A survey of the work done here will complete our view of the university work in economics in Germany, using the word university to indicate a grade of instruction rather than special institutions. As professors pass from the technical schools to the universities and *vice versâ*, we may rightly consider the two as belonging to the same class. Both have the same standard for admittance, though the organization of the technical school differs somewhat from that of the university.

In accordance with its more special aims the course at the technical school is more rigid than at the university. The school is divided into various departments for architecture, chemistry, engineering in its different branches, etc.; and further, a department of general studies. The student on entering is required to choose his department of study. His freedom in the choice of lectures after entering one department is naturally limited. The authorities recommend that the student shall pursue a plan